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20 November 1954

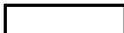
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## CURRENT INTELLIGENCE BULLETIN

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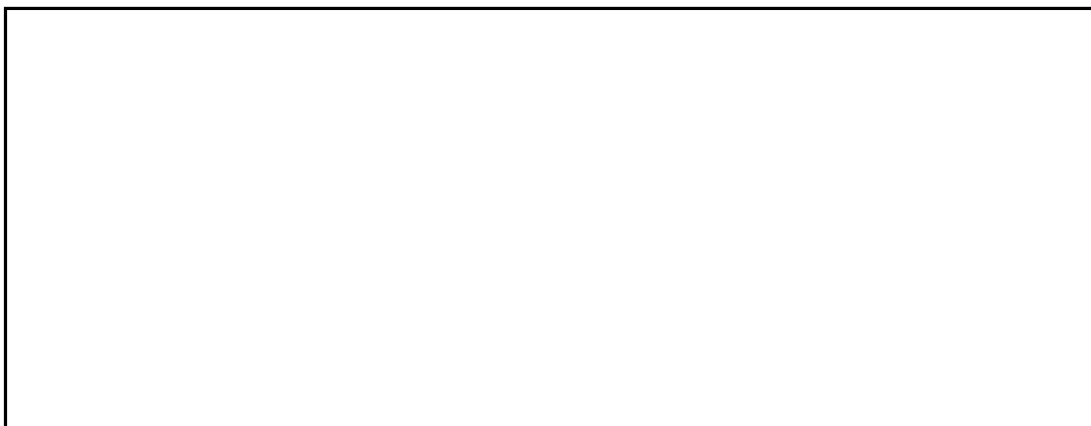


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## **SUMMARY**

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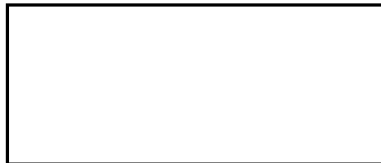
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**GENERAL**

1. Soviet official says Paris agreements ratification will leave nothing to negotiate:

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[Redacted] Soviet deputy foreign minister Zorin recently said to [Redacted] gravely and pointedly: "What will there be to negotiate after ratification of the Paris agreements?" He added, "There will be nothing to negotiate then."

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Zorin charged that the Western powers did not want to negotiate either an Austrian or a German solution because negotiations would "disturb their plans."

Comment: Statements of this kind by officials are designed to bolster open Soviet propaganda, which has consistently emphasized how difficult negotiation on European questions would be after ratification of the Paris agreements, but which has carefully avoided excluding future negotiations. Soviet propaganda has said repeatedly that ratification would prevent German unification "for many years." The most recent Soviet note said ratification would "complicate" the European situation and "undermine" the possibility of settling European problems, particularly Germany.

At the Moscow reception on 7 November, after a discussion with the French ambassador on the Paris agreements, Khrushchev asserted: "There is nothing to be done." Malenkov replied: "There is always something to be done."

**SOUTHEAST ASIA**

2. Comment on prolonged Laotian political crisis:

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The redesignation of Katay Sasorith, former Laotian finance minister, to form a new cabinet is not likely to bring an

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[REDACTED] end to the political crisis in Laos, which is already of record length. Meanwhile, the government is prevented from taking adequate steps to counter Viet Minh infiltration and subversion.

The crisis had its origin in dissatisfaction with the Geneva settlement; it came into the open with the assassination of the defense minister on 18 September. Premier Souvanna Phouma's government resigned on 19 October.

The prolongation of the crisis results from a roughly even balance in the assembly between the old guard, who have been associated with the French for a long period, and the younger members, who are impatient with any delay in cutting down French influence. To be installed in office, a cabinet must have a two-thirds vote in the assembly.

Katay, who failed in an earlier attempt to form a cabinet, represents the younger group. Although an anti-Communist of long standing, he shares the view of most Laotian leaders that the Pathet Lao are "not really Communists."

The American embassy in Vientiane believes that the only solution to the crisis may be for Crown Prince Savang to draft a cabinet. So far the crown prince has been reluctant to stretch his constitutional powers in this manner.

3. Cambodian accuses French of undermining US position:

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[REDACTED] Ouk Chhoum, chief aide to the Cambodian defense minister, told an American official in Phnom Penh on 17 November that the Cambodian desire for American military training is being frustrated by vigorous French efforts to persuade the Cambodians to turn down the offer of an American training mission. He said the French have threatened to withdraw all military support, and have argued that the United States cannot be counted on in a pinch and that the introduction of American personnel would be frowned on by the International Control Commission and the "neutral" countries.

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Comment: Reverses suffered by the French in Vietnam have caused them to attach particular importance to retaining Cambodia as their sphere of influence. Although virtually independent, Cambodia is still subject to French pressure owing to French control of Cambodia's trade outlet through Saigon and of Indochina's foreign exchange and central banking.

The Cambodians are presumably eager to derive maximum advantage from French-American competition for Cambodia's co-operation.

The American offer of a training mission to Cambodia has been made contingent on an understanding that French training personnel will be phased out.

#### SOUTH ASIA

#### 4. Comment on reports of imminent changes in Nehru's cabinet:

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Indian prime minister Nehru intends to reshuffle his cabinet soon, according to several press [redacted] sources. Among the changes anticipated are Nehru's resignation as defense minister, a shift of K. N. Katju from the Home Ministry to the Defense Ministry and his replacement in the Home Ministry by G. V. Pant, and

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appointment of C. Subramaniam to the Food Ministry. V. K. Krishna Menon has been mentioned for both the Foreign and Defense Ministries.

Except for Krishna Menon--whose appointment is believed unlikely--the men reported due to be named to new cabinet posts are conservatives. [redacted]

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